

Economic Affairs Interim Committee Draft Work Plan for the 2017 - 2018 Interim

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draft for June 2017 initial meeting

Summary

This work plan for the 2017-2018 Economic Affairs Interim Committee (EAIC or Committee) contains:

- an introduction regarding EAIC duties;
- details related to the EAIC's statutory duties;
- plans for a study on workers' compensation;
- plans for any study assigned by the Legislative Council to the EAIC;
- a proposed schedule in which to accomplish EAIC activities; and
- topics that EAIC members or staff have suggested pursuing (Appendix A).

This work plan may be revised periodically, taking into consideration budget, emerging issues, and timing.

I. *Introduction*

In line with the statutory duties of interim committees (detailed in the next section), the Economic Affairs Interim Committee has responsibility for:

- reviewing rules of certain executive agencies under the EAIC's purview;
- monitoring certain executive agencies' programs and reports and providing a preliminary review of those agencies' draft legislation; and
- studying and reporting to the next Legislature on any issues assigned to the EAIC by the Legislative Council.

The EAIC presiding officer also has the responsibility to name:

- two EAIC members as liaisons to the Montana State Fund, a state entity that provides a guaranteed market for workers' compensation insurance; and
- two EAIC members (one from each party and each legislative body), with vice presiding officer concurrence, to the Rail Service Competition Council.

The full Committee is responsible for naming two EAIC members, one from each political party, to a subcommittee attached to the Legislative Finance Committee to study the future of labs at Montana State University-Bozeman, including the Veterinary Diagnostic Laboratory, the Wool Lab, the Wildlife Laboratory, and the Seed Lab. There is no requirement for appointees to be from separate houses.

Budget/Meeting Dates

~ \$32,000 - EAIC The EAIC budget for the 2017-2018 biennium is about \$32,000. For the
Meeting dates - first meeting, the EAIC is able to tap money left over from the last interim,
see Table 2 which means the budgeted amount for the FY2017-FY2018 biennium is

able to cover an estimated 10 meeting days. If the members decide to have a subcommittee, the staffing and budget for subcommittee meetings reduce the main EAIC staffing and budget proportionately.

The bulk of the budget is for members' travel and per diem costs for meetings but allows for additional expenditures, such as the use of remote meeting technologies, meetings out of Helena, or conferences or other meetings related to the EAIC's work. See Table 2 for meeting date options.

~ \$4,500 for
MSF liaisons

The costs for two EAIC members to serve as liaisons to the Montana State Fund, separately identified in the Legislative Services Division budget, is about \$4,500. Liaisons submit their claims separately to the EAIC staff.

Next MSF meeting:
Sept. 15

Liaisons can count on attending approximately five Montana State Fund meetings a year. The remaining meetings for 2017 are Sept. 15 and Dec. 15. For 2018, meetings are anticipated in February, May, June, September, and December.

July 2017 -
Rail Services
next meeting

The next meeting of the Rail Service Competition Council is July 25 at the Montana Department of Transportation Auditorium, 2701 Prospect Ave. in Helena. Costs for Rail Service Competition Council liaisons are covered by the Department of Transportation but the process is for expense claims to be turned in to Legislative Services. DOT pays \$50 a day salary, not a legislative salary, to legislators.

The Rail Service Competition Council typically meets about five times during an interim, with an economic development subcommittee meeting twice.

HB 661 Study

Legislative Finance Committee staff set planning meeting for June 12. More after that meeting.

The study resolutions require that interim committee work, including final reports, recommendations, and any proposals for legislation, be completed by Sept. 15, 2018.

II. *Statutory Obligations and Review of Duties*

5-5-215. Duties of interim committees. (1) Each interim committee shall:

- (a) review administrative rules within its jurisdiction;
- (b) subject to 5-5-217(3), conduct interim studies as assigned;
- (c) monitor the operation of assigned executive branch agencies with

specific attention to the following:

- (i) identification of issues likely to require future legislative attention;

(ii) opportunities to improve existing law through the analysis of problems experienced with the application of the law by an agency; and

(iii) experiences of the state's citizens with the operation of an agency that may be amenable to improvement through legislative action;

(d) review, if requested by any member of the interim committee, the statutorily established advisory councils and required reports of assigned agencies to make recommendations to the next legislature on retention or elimination of any advisory council or required reports pursuant to 5-11-210;

(e) review proposed legislation of assigned agencies or entities as provided in the joint legislative rules; and

(f) accumulate, compile, analyze, and furnish information bearing upon its assignment and relevant to existing or prospective legislation as it determines, on its own initiative, to be pertinent to the adequate completion of its work.

(2) Each interim committee shall prepare bills and resolutions that, in its opinion, the welfare of the state may require for presentation to the next regular session of the legislature.

(3) The legislative services division shall keep accurate records of the activities and proceedings of each interim committee."

Table 1: Agencies Assigned to the EAIC and Areas of Interest

Department of Agriculture <ul style="list-style-type: none"> • Agricultural Development Division • Agricultural Sciences Division • Central Services • State Grain Laboratory 	MT Wheat & Barley Committee	Hail Insurance Board
	Noxious weed-related advisory councils (3)	
	Alfalfa Seed Committee	Organic Advisory Committee
	Cherry Advisory Committee	Potato Advisory Committee
		Pulse Crop Advisory Committee
Department of Commerce <ul style="list-style-type: none"> • Director's Office • Community Development Division • Housing Division • Office of Tourism and Business Development 	Board of Housing	MT Facility Finance Authority
	Board of Investments	MT Heritage Commission
	Board of Research and Commercialization	Small Business Development Center Advisory Council
	Economic Development Advisory Council	State Tribal Economic Development Commission
	Coal Board	Tourism Advisory Council
	Hard-rock Mining Impact Board	Board of Horseracing
Department of Labor & Industry <ul style="list-style-type: none"> • Business Standards Division • Centralized Services Division • Employment Relations Division • Unemployment Insurance Division • Workforce Services Division • Workers' Compensation Court 	Professional and Occupational Licensing Boards (33)	
	Building Codes Bureau	Occupational Safety / Health
	Weights and Measures Bureau	Apprenticeship / Training
	Montana Human Rights Commission	Incumbent Worker Training Program
	Board - Personnel Appeals	Foreign Labor Certification
	Unemployment Insurance Appeals Board	MT State Employers Council
	Labor-Management Advisory Council	Workforce Innovation Board
Department of Livestock <ul style="list-style-type: none"> • Animal Health Division • Brands Enforcement Division • Centralized Services Division • Diagnostic Laboratory • Meat and Milk Inspection Division 	Livestock Loss Board	Board of Milk Control
	Meat and Poultry Bureau	Milk and Egg Bureau
State Auditor's Office <ul style="list-style-type: none"> • Insurance Division • Securities Division 	Statutory duties	
Gov's Office of Economic Development	Statutory duties	
Division of Banking/Financial Institutions	Statutory duties	
Liquor Control Division	Statutory duties	

Duties Required in Statute

A. Rule Review

Under 5-5-215, MCA, an interim committee "shall review administrative rules within its jurisdiction." There are different ways of doing the review, ranging from in-depth analysis to general oversight, depending on the Committee's choice. In the past, EAIC legal staff typically reviewed rulemaking notices from all of the agencies the EAIC monitors and provided information to the Committee on generally significant rules, but only raised flags on a rule if the attorney considered the rule to be noncompliant with legislative intent or otherwise not meeting the Montana Administrative Procedure Act (MAPA). The EAIC could request the Committee attorney to pay particular attention to rules affecting constituent concerns, if any. According to MAPA, the committee charged with reviewing agency rules may:

- request agency rulemaking records for ensuring compliance with MAPA;
- submit recommendations regarding the adoption, amendment, or rejection of a rule;
- require that a hearing be conducted;
- participate in proceedings; or
- review the conduct of administrative proceedings.

B. Program Monitoring

Pursuant to 5-5-215, MCA, the Committee shall monitor the operation of assigned agencies with specific attention paid to:

- identifying issues likely to require future legislative attention;
- improving existing law; and
- seeking the input of citizens regarding the operation of agencies.

The EAIC monitors the following (see Table 1 for more detail):

- Department of Agriculture;
- Department of Commerce;
- Department of Labor and Industry;
- Department of Livestock;
- Office of the State Auditor and Commissioner of Insurance and Securities;
- Governor's Office of Economic Development;
- the Division of Banking and Financial Institutions;
- the Liquor Control Division; and
- Montana State Fund.

C. Draft Legislation Review

Draft legislation review is intended both for an interim committee's suggested legislation and for legislation to be proposed by agencies monitored by the committee. When the interim committee is proposing its own legislation, it is listed under both "requester" and "requested by." A requester must be a legislative entity. The "requested by" entity may be a state agency.

The requester role sometimes is seen by the public as the committee endorsing the bill, when in fact the requester is just enabling drafting of the legislation and is not taking a stand on the contents of the bill. However, an interim committee may choose not to request drafting of a particular bill requested by an agency, which means only that the agency must find a legislator who will introduce the bill (and the committee then, perhaps, generates some unnecessary ill will). Early review by legislators also allows for outside suggestions that agencies may or may not take under consideration.

Two reasons for review of agency legislation by interim committees are:

- to provide early drafting for agencies, which presumably know in advance which policies they are seeking to amend, remove, or establish; and
- to improve the workflow so that staff can begin drafting legislation before the elections and handle agency legislation before the onslaught of newly elected legislators' bill requests.

Because agencies are expected to have submitted their proposals to the Governor's Office by June in the year preceding the legislative session, interim legislative committees can begin as early as that June to review the legislation. The EAIC has often reviewed agency legislation at its last meeting of the interim. According to Joint Rule 40-40(5)(a): "Unless requested by an individual member, a bill draft request submitted at the request of an agency must be submitted to, reviewed by, and requested by the appropriate interim or statutory committee." Typically, agency draft legislation is not ready by September, so the agencies present only the concepts.

D. Maintain Adequate Records of Activities

Under 2-3-212, MCA, if an audio recording is designated as the official record, written records of meetings must also be kept to provide assistance to the public in accessing the relevant portion of the meeting. The Legislative Council has decided that the audio recording stands as the official record. Unless otherwise requested by the Committee, the written material regarding minutes will be a log or guideline to topics, the times that they were addressed, and the names of those who spoke on the subject. For this type of record, there is no need for the Committee to approve the minutes log. The audio recording serves as the official record.

As for other records of activities, staff relies on communication with EAIC members using both e-mail and letters. If an EAIC member prefers communication in one form only, please let staff know and they will adjust to match preferences. Information will be sent to the EAIC members approximately 2 weeks prior to a meeting by mail and posted on the Committee website, unless the EAIC member directs electronic notification only. Material may be sent in more than one mailing. Legislators may refer constituents or interested parties to the website for information or to sign up for electronic notification of EAIC activities. The website is:

<http://leg.mt.gov/css/Committees/Interim/2017-2018/Economic-Affairs/default.asp> or simply <http://leg.mt.gov/eaic>.

E. Additional Statutory Duties

- Licensing Board or Program Review. As part of its monitoring duties related to the

Department of Labor and Industry, to which professional and occupational licensing boards are administratively attached, the EAIC is responsible for deciding:

- if any particular licensing board or program is not needed; or
 - if the financial solvency of the board or program is questionable. Under 2-8-404, MCA, the EAIC is required to notify the department if the Committee itself wants to review boards or programs for the purpose of sunseting them or combining them with another board.
- New from the 2017 session is an obligation to monitor the Department of Labor and Industry's determinations as to whether any board actions are considered by the Commissioner of Labor and Industry to be anticompetitive. House Bill 141 gave the Commissioner of Labor and Industry oversight responsibility to determine if any board actions violate antitrust laws and also gave the EAIC a role to initiate further hearings, backstop the Commissioner of Labor and Industry, or provide an alternative process for those who complain about possible antitrust activities by boards or licensees.
 - Under 22-3-1002(1), MCA, the EAIC is required to review the administrative fee negotiated between the Montana Heritage Preservation and Development Commission and the Department of Commerce.
 - The creation of the Wood Product Industry Loan Program in the Department of Commerce included a requirement in 90-1-503, MCA, that the Department of Commerce report to the EAIC about the status of the distressed wood products industry loan account.
 - The Rail Service Competition Council (RSCC) under 2-15-2511(3), MCA, is to "report to any standing or interim legislative committee that is assigned to study or has oversight duties for rail service competition issues."
 - One statutory recommendation is for each interim committee to review advisory councils and reports that must be provided to the Legislature to determine whether they are serving their purpose or are no longer necessary. Among advisory councils eligible for EAIC review are:
 - ▶ Tourism Advisory Council (Commerce) created under 2-15-1816, MCA;
 - ▶ Economic Development Advisory Council (Commerce) created under 2-15-1820, MCA;
 - ▶ Advisory Council on Continuing Education for Insurance Licensees (SAO) created under 33-17-1204, MCA;
 - ▶ Advisory Council on Risk Management Activities (SAO), related to medical malpractice concerns, created under 33-23-520, MCA;
 - ▶ Noxious Weed Management Advisory Council (Agriculture) under 80-7-805, MCA;
 - ▶ Montana Noxious Weed Seed Free Forage Advisory Council (Agriculture) created under 80-7-904, MCA;
 - ▶ Organic Commodity Advisory Council (Agriculture) created under 80-11-601, MCA; and

- ▶ Vertebrate Pest Management Advisory Council (Agriculture) established under 80-7-1104, MCA.

The following reports are required either specifically noting the EAIC is to receive the report or the report is under an agency for which the EAIC is responsible:

- ▶ State Agency and County Weed District Biennial Noxious Weed Report (Agriculture), 7-22-2151, MCA;
- ▶ Montana Board of Investments Annual Report (Commerce), 17-5-1650, MCA;
- ▶ Apprenticeship and Training Program Biennial Report (Labor and Industry), 39-6-101 and 5-11-210, MCA;
- ▶ Business and Industrial Development Corp. Report (Banking and Financial Services), 32-11-306, MCA. HB 25 in the 2017 session specified a report be provided only if a BIDCO is created.
- ▶ Livestock Loss Reduction Report (to be made to the Legislature and the Board of Livestock), 2-15-3113, MCA;
- ▶ Distressed Wood Industry Report (Commerce), 90-1-503 and 5-11-210, MCA; and
- ▶ Montana State Fund, which is to provide a report on its approved budget to the EAIC.

The following boards, committees, or other entities may contain an advisory function but are not specifically termed advisory councils or are not created statutorily. The 2015-2016 EAIC did not request a review as to their status. The 2017-2018 EAIC may choose to review one, none, or many.

- ▶ Montana Noxious Weed Summit Advisory Council (Agriculture), which would be reviewed only in relation to statutory entities, since this council was created under executive order;
- ▶ Montana Agriculture Development Council (Agriculture) provided for in 2-15-3015 and 90-9-103, MCA;
- ▶ Montana Alfalfa Seed Committee (Agriculture) created under 2-15-3004, MCA;
- ▶ Montana Cherry Advisory Committee (Agriculture) created under 80-11-510, MCA (a statute giving the department general creation authority);
- ▶ Montana Potato Advisory Committee (Agriculture);
- ▶ Montana Pulse Crop Advisory Committee (Agriculture);
- ▶ Montana Wheat and Barley Committee (Agriculture) created under 2-15-3002, MCA;
- ▶ Board of Hail Insurance (Agriculture) created under 2-15-3003, and Title 80, ch. 2, part 2, MCA;
- ▶ State Workforce Investment Board (Labor and Industry);
- ▶ Board of Personnel Appeals (Labor and Industry);
- ▶ Board of Labor Appeals (Labor and Industry);
- ▶ Board of Housing (Commerce) created under 2-15-1814, MCA;
- ▶ Coal Board (Commerce) created under 2-15-1821, MCA;
- ▶ Board of Research and Commercialization Technology (Commerce) created under 2-15-1819, MCA;
- ▶ Hard-rock Mining Impact Board (Commerce) created under 2-15-1822, MCA;
- ▶ State Tribal Economic Development Commission (Commerce) created under 90-1-131, MCA;
- ▶ SBDC (Small Business Development Center) Advisory Council (Commerce);

- ▶ Montana Heritage Preservation and Development Commission (Commerce) created under 22-3-1002, MCA;
- ▶ Montana Facility Finance Authority (Commerce) created under 2-15-1815, MCA;
- ▶ Board of Investments (Commerce) created under 2-15-1808, MCA; and
- ▶ Montana Council on Developmental Disabilities (Commerce) created under 2-15-1869, MCA.

III. Study Activities

The Economic Affairs Interim Committee is likely to have two studies assigned during the 2017-2018 interim: a study of workers' compensation (provided for in Senate Joint Resolution No. 27) and a study of unemployment in high-poverty areas (as provided in Senate Joint Resolution No. 20). Additionally, House Bill No. 661, which requires a study of the Veterinary Diagnostic Laboratory and other labs at MSU, will mean that two members of the EAIC will form a subcommittee with two members from the Environmental Quality Council and two Legislative Finance Committee members. The Legislative Finance Committee has the lead role in this study.

- ▶ **SJR 27** -- See Appendix B for a study plan for SJR 27.
- ▶ **SJR 20** -- See Appendix C for a study plan for SJR 20.
- ▶ **HB 661** -- Study information pending.

IV. Other Interim Activities

The EAIC's opportunity to "accumulate, compile, analyze, and furnish information" (as related to its assigned duties or existing or prospective legislation) means that guest speakers may be scheduled to provide information on relevant topics. Members may propose investigation of emerging issues at any time during the interim. Agencies also may request that the Committee study an emerging issue that has resulted from court decisions, federal actions, or another cause. Emerging issues are not necessarily member issues and may be raised by an agency or by staff. But to be on the agenda, the issue must be requested by the presiding officer or other EAIC members. Staff resources are limited, so additions to a work plan must be accompanied by deletions to maintain balance.

V. Member Issues

EAIC members have an opportunity to put more or less emphasis on subjects under their purview as a way of making time for EAIC-relevant member issues. EAIC members and staff have recommended various topics for possible consideration this interim (see Appendix A).

VI. Staff Recommendations for Additional Activities

If additional issues arise, staff will ask members to determine whether further background information or action is desired.

VII. *Interim Calendar*

The following schedule provides an overall road map for accomplishing required duties..

Table 2: Meeting Dates and Proposed Topics and Tasks

Date	Phase	Research Tasks/Policy Issues
June 14, 2017	Organizational	*Elect Officers *Appoint liaisons to: Montana State Fund Rail Services Competition Council Subcommittee on HB 661 laboratory study
	Rule Review	*Decide work plan (determine involvement in rule review, extent of agency monitoring, member issues, meeting times)
	Studies	Work plans related to assigned studies
September 14, 2017	Work Plan	Review Which Advisory Council/Committees to review Revise/Adopt
	Agency Monitoring	Two Agency Presentations? Montana State Fund budget
	Studies	SJR 20 - Unemployment Overview - speaker on various ways of identifying unemployment SJR 27 - Presentations based on selected goals
	Rule Review	
	Member/Emerging Issue	
November 14, 2017	Studies	SJR 20 - Unemployment Overview - panel on uses and placement of Job Service Offices SJR 27 - Presentations based on selected goals
	Agency Monitoring	Two Agency Presentations?
	Rule Review	
	Member Issues	
December 14, 2017	Subcommittee??	

Date	Phase	Research Tasks/Policy Issues
February 7-8, 2018	Studies Agency Monitoring Rule Review Member Issues	SJR 20 - Unemployment Overview - Overview of skills training, job potential in high-poverty areas SJR 27 - Presentations based on selected goals Two or Three Agency Presentations? Montana State Fund budget
June 28, 2018	Studies Agency Monitoring Rule Review Member Issues	SJR 20 - Potential legislation and draft of final report SJR 27 - Potential legislation and draft of final report Possible early legislation presentation?
Sept. 6, 2018	Studies Agency Monitoring Legislative Review Member Issues Rule Review	Wrap-up: Last meeting usually involves presentation of required reports -- in part because they are not completed earlier Committee bills? All monitored agencies' bill drafts

VIII. Web Resources

Information about the Committee is available through the legislative website, under Committees, Interim, Economic Affairs. At that site, staff will post information regarding Committee activities, minutes, agendas, study reports, and relevant information. The site also provides links to the websites of agencies for which the Committee is responsible.

Legislative Services:

<http://leg.mt.gov/eaic>.

IX. Matrix for Prioritizing the Focus of Meetings

Table 3 provides a brief description of the Committee's involvement over the course of the interim. The columns provide members with options for allocating their time. It is anticipated that choosing the most involvement for each activity will seriously tax the EAIC's time, staff resources, and budget. The table is intended to be flexible yet help the Committee members recognize that only a limited amount of Committee time is available for activities that are not mandated.

EAIC Matrix for Setting Priorities for Interim Committee Activities

ACTIVITY	Most Involvement	Moderate Involvement	Minimal Involvement
RULE REVIEW <i>Chosen option</i>	<ul style="list-style-type: none"> Request written or oral reports, including analysis by legal staff at each meeting on all proposed rules or adoption notices for each agency monitored. Request copies of rules from agencies for legislators' personal review. Seek public comment on rules of concern. 	<ul style="list-style-type: none"> Request brief written description of all rules prior to Committee meetings (from this meeting). Review only topics in Committee that: <ol style="list-style-type: none"> legislators flag as important or of concern; or a member of the Committee asks be placed on the EAIC agenda. 	<ul style="list-style-type: none"> Hear information only on issues that Committee legal staff considers to be out of compliance with statutes or legislative intent.
DRAFT LEGISLATION REVIEW <i>Chosen option</i>	<ul style="list-style-type: none"> Request reports from agencies on legislative proposals submitted in early 2018 to the Office of Budget and Program Planning. Include panel presentations to familiarize Committee with issues. 	<ul style="list-style-type: none"> Provide time at June and August 2018 meetings, one for initial concept review and the other for follow-up briefings for complex legislation. 	<ul style="list-style-type: none"> Overview of concepts on each item of legislation at final meeting.
AGENCY MONITORING <i>Chosen option</i>	<ul style="list-style-type: none"> Each agency division would give an initial overview presentation. Any agency with further statutory reporting requirements give an oral report to the EAIC. EAIC members specify follow-up reports on program specifics. 	Basic involvement needed: <ul style="list-style-type: none"> Each agency head would provide a brief overview of activities. Any agency with further statutory reporting requirement would give an oral report. 	
HB 142 REVIEWS <i>A review of the necessity of advisory councils, etc., or reports linked to agencies that EAIC monitors.</i> <i>Chosen option</i>	<ul style="list-style-type: none"> Review the 35 advisory councils / reports and advisory groups of all types. Some would just be monitored; others would include a "sunset" review with public comment followed by a vote by the Committee on whether to retain. 	<ul style="list-style-type: none"> Have presentations on the 13 statutory advisory councils and reports strictly required for review, with public comment, and votes by the Committee on each along with up to 4 other advisory committees from the list on pp. 7-8. 	<ul style="list-style-type: none"> Provide a briefing paper for each of the 13 statutory advisory councils and reports, with the committee deciding if any need a review. If a review is needed, there would be public comment and a vote of the Committee.

<p>MONITORING IMPORTANT ACTIVITIES (may be based on member issues -- see below)</p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> • Outline up to 5 topics chosen at the first meeting to be addressed at subsequent meetings. • Include staff-prepared "white papers" on each topic. • Discussion by EAIC. 	<ul style="list-style-type: none"> ▶ Outline up to 3 topics chosen at the first meeting to be addressed at subsequent meetings. ▶ Staff briefing papers on topics of interest. ▶ Discussion by EAIC. 	<ul style="list-style-type: none"> ▶ Topics limited to those presented by interested persons who ask to be on agenda. ▶ Copies of relevant reports provided to Committee. ▶ No staff briefing or "white papers."
<p>MEMBER ISSUES (see also Monitoring Important Activities above)</p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> ▶ Each meeting would have 1 member issue on the agenda, with presentation by an identified expert (6 or 7 topics in total). ▶ Provide a white paper on designated issues. ▶ Draft related legislation. 	<ul style="list-style-type: none"> ▶ 4 or 5 member issues would be addressed, with a presentation by an identified expert. ▶ Staff to prepare briefing papers or draft legislation as issues arise. 	<ul style="list-style-type: none"> ▶ Address no more than 2 member issues as time allows, with staff providing copies of relevant outside reports to EAIC. ▶ No staff briefing or white papers. ▶ 1 or 2 presentations, if any.
<p>ASSIGNED STUDY: SJR 20 - - determining how to improve employment in high-poverty counties</p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> ▶ Briefing papers (as listed at far right). ▶ 3-4 presentations to go more in-depth on the topics at right plus greater participation by employers and those involved in economic development. ▶ Public comment opportunity 	<ul style="list-style-type: none"> ▶ Briefing papers (as listed at right). ▶ 2 presentations more in-depth on topics listed at right. ▶ Public comment opportunity 	<ul style="list-style-type: none"> ▶ Briefing papers on various ways to assess employment. ▶ Panel discussion of job service activities, tribal and MUS, community college efforts to align job openings with skills, economic development components. ▶ Public comment opportunity
<p>ASSIGNED STUDY: SJR 27 - Study of workers' compensation</p> <p><i>Chosen option</i></p>	<ul style="list-style-type: none"> ▶ Briefing papers on 8-10 issues. ▶ 3 to 4 panel presentations outlining workers' compensation employer and employee concerns. ▶ Determine if legislation is to be introduced and, if so, have presentations related to bill drafts. ▶ Public comment opportunity 	<ul style="list-style-type: none"> ▶ Briefing papers on 5 to 7 issues. ▶ 2 panel presentations on selected issues. ▶ Determine if legislation is to be introduced and, if so, have presentations related to bill drafts. ▶ Public comment opportunity 	<ul style="list-style-type: none"> ▶ Determine 3 or 4 issues on which briefing papers would be prepared. ▶ 1 panel presentation. ▶ Determine if legislation is to be introduced and, if so, have presentations related to bill drafts. ▶ Public comment opportunity

In calculating the EAIC's allocation of its meeting time, the following table may be helpful.

Responsibilities	Time Needed	Total Meeting Hours
Administrative & statutory duties <ul style="list-style-type: none"> ▶ Rule review ▶ Agency monitoring ▶ Agency legislation review 	<ul style="list-style-type: none"> ▶ 10 minutes for rule review at each meeting unless there's concern ▶ Up to 1 hour for each agency monitored ▶ Varies from 15 minutes for 1 agency to an hour-plus 	12 to 14 hours (depending on rule review contention and level of monitoring)
<ul style="list-style-type: none"> ▶ HB 142 reviews 	<ul style="list-style-type: none"> ▶ 20 minutes to 45 mins. for each (approximately) 	Depends on number of reviews chosen, including final report review at last meeting.
<ul style="list-style-type: none"> • Review of active guidance on board antitrust issues 	<ul style="list-style-type: none"> • 5 minutes to 45 mins. for each (6 issues at least) 	30 minutes total up to about an hour at each meeting, depending on complaints
Studies		14 to 21 hours
Member issues	Depends on work plan	
Total		9 days of meetings planned plus short intro meeting (~67 hrs) (Figure half that on studies and routine activities)

APPENDIX A

Member Issues and Possible Emerging Issues

The following table includes suggestions from EAIC members (and staff) and provides space for you to include suggestions for "other" topics of consideration. We'll fill in dates later.

Topic	Possible Activity	Date
Agriculture		
Genetically modified or engineered organisms -- current status in Montana	<ul style="list-style-type: none"> Although a proposed study of GMO impacts on Montana wheat markets was not introduced, some people are concerned about GMO impacts on agricultural trade. A panel discussion on the pros and cons and concerns may be informative. 	
Growth through Agriculture Program	<ul style="list-style-type: none"> This program awards grants and loans to ag-related projects and is funded under 15-35-108 from coal severance taxes. Funding of \$625,000 a year expires June 30, 2019. Will there be an effort to continue the funding or has the program served its purpose? 	
Trade issues	<ul style="list-style-type: none"> Revisions to the North American Free Trade Agreement, which is under a 90-day consultation period (roughly through mid-August) to determine changes thought to be necessary by Congress and the Trump Administration. NAFTA impacts trade in agriculture goods and in other goods. A panel on trade with Canada, Mexico might shed light on the role of NAFTA in Montana trade. 	
Other?		
Housing/Finance/Investments		
Successor Liability -- for unpaid water bills, etc.	<ul style="list-style-type: none"> Sen. Eric Moore's bill to allow liens for unpaid water bills met some technical concerns and did not pass. Although this is probably a local government issue, the use of liens often is a business/labor issue. This also relates to real estate sales. Possible panel discussion. 	
Vacation Rentals	<ul style="list-style-type: none"> What regulations, if any, are on vacation rentals by owner, or other short-term rental properties? What is the role of government, if any, related to rentals of private property? 	

Landlord-Tenant Laws	<ul style="list-style-type: none"> As a real estate business, home rentals and property management are an area that come under the EAIC's purview. Various changes in the landlord-tenant act were made in the 2017 Legislature, but one bill (SB 251) to expand landlord rights was vetoed with a recommendation to undertake further study of the issue. What regulations, if any, would balance the landlord-tenant rights and maintain a rental housing supply? What is the role of government, if any, related to rentals of private property? 	
Montana's Board of Housing and the Veterans Home Loan Program - How are they working?	<ul style="list-style-type: none"> The Board of Housing in the Department of Commerce is under the EAIC oversight/monitoring umbrella. Is the Board of Housing fulfilling its responsibilities? Are changes needed in legislation to improve its success? Possible presentation. 	
Banking, especially changes to banks and credit unions in Montana from changes brought by the Dodd-Frank Act	<ul style="list-style-type: none"> What is the home loan situation in Montana? Are foreclosures still a problem for banks? Are new home or small business loans difficult to come by? Has the <i>Morrow v Bank of America</i> case stifled loans or loan discussions? Review impacts from Dodd-Frank mortgage changes (20% down, revisions to what is required for refinancing, bank requirements to retain portion of mortgage) on Montana's housing construction and home sales. Possible changes in Dodd-Frank in the new Congress. Possible panel discussion. Case summary 	
How investments in cows, liquor licenses, or other nontraditional items affect business developments in Montana	<ul style="list-style-type: none"> Loans or investments based on a tangible commodity other than land is common. In the 2015 Legislature, topics varied from selling fractional shares of cows (during discussions of the raw milk bill, HB 245) to bankers' interest in the way Montana has quotas for all-beverage licenses. <p>How lending works outside the normal box would involve a discussion among panelists from the State Auditor's Securities Office and the Commissioner of Banking and Financial Institutions.</p>	
Other?		
Economic Development		
Broadband Issues	What state actions would best expand broadband access throughout the state? Less regulation? More funding? What can legislators do to improve access or affordability?	

What is the future of Montana's economic development programs?	<p>Is it time for the severance coal tax money to sunset (as currently in law for June 30, 2019). This money allocated under 15-35-108 currently goes to:</p> <ul style="list-style-type: none"> • the Cooperative Development Center • the Growth through Agriculture Program • the Department of Commerce for small business development, innovative research, certified regional development corporations, the Montana Manufacturing Extension Center and export trade enhancement. 	
Barriers to business entry	<ul style="list-style-type: none"> • Lack of financing options may be one barrier to starting a business but another often-cited problem is lack of a qualified workforce. The Economic Affairs Interim Committee may want to look at what state agencies are doing to resolve barriers to business entry, whether those barriers are regulatory or stem from having too many different requirements from too many agencies. One or more panel discussions might be needed to address this topic fully. A presentation on Main Street Montana findings would be incorporated, as would the Dept. of Labor and Industry's interaction with the colleges This might be wrapped into the SJR 20 study. 	
Ways to improve business regulation (perhaps focus on one industry)	<ul style="list-style-type: none"> • One-stop shopping for business applications is an ideal. How well is it working? What businesses are not covered and can they easily be included? • What business regulations are common among all industries (from alcohol sales to zoonotics)? Can the right and left hands of government find a common bond to prevent duplication and confusion? 	
Other?		
Insurance		
Health insurance changes	<ul style="list-style-type: none"> • With Congress working on dismantling the Affordable Care Act, and possibly putting something in its place, what impacts are expected in Montana's insurance market? Updates from the State Auditor's Office on this subject once or twice or more? 	
Insurance competition	<ul style="list-style-type: none"> • The committee may want to examine competition in the insurance industry, whether related to workers' compensation insurance, medical malpractice insurance, health insurance, or other types of insurance. Would changes in law be needed to encourage competition or is lack of population a driving factor? 	
Other?		

Livestock		
Budget issues	<ul style="list-style-type: none"> Review Dept. of Livestock budget and structural balance to determine whether the department is on solid footing. 	
Brucellosis and the Designated Surveillance Area	<ul style="list-style-type: none"> Follow up on work of the 2009-2010 EAIC regarding the Board of Livestock and the Department of Livestock actions related to brucellosis in the areas near Yellowstone National Park. Are veterinarians appropriately paid for the brucellosis checks? What actions is the Interagency Bison Management group taking to decrease the spread of brucellosis in elk? Schedule at least one presentation regarding the Interagency Management Plan and the work of multiple agencies related to bison. See related news article. 	
Veterinary Diagnostic Laboratory and other laboratories	<ul style="list-style-type: none"> HB 661, led by the Legislative Finance Committee, requires 2 people from EAIC and 2 from the Environmental Quality Council to join with 2 members of the Legislative Finance Committee to review laboratory needs and possible construction of a multi-use laboratory. 	
Other?		
Employment / Unemployment / Labor		
Unemployment issues	<ul style="list-style-type: none"> If the state's unemployment rate is lower than the national average but the rate is higher on Indian reservations, is the state doing all it can to achieve better employment opportunities in high-poverty areas? Are job service offices located in the most beneficial sites and does the Legislature have any say in locations or just in personnel and staffing? The SJR 20 study would address issues like this. 	
Workforce development	<p>Reports on:</p> <ul style="list-style-type: none"> implementation of workforce aspect of Medicaid revision incumbent worker training foreign labor certification program activities aimed at improving ways to adjust to changes in job demands in the Bakken. 	
Ban the box options for employment applications	<ul style="list-style-type: none"> Two proposals in the 2017 Session related to changing the way job applications ask for information. Other states also are looking at: <ul style="list-style-type: none"> banning questions about how much an employee made in previous jobs; banning a requirement to put a first name on a job application or a box regarding gender; banning a question as to whether an applicant has a criminal record. 	
Other?		

Professional / Occupational Licensing		
Monitor use of active supervision (as allowed under HB 141)	<ul style="list-style-type: none"> Determine Commissioner of Labor's workload expansion under HB 141, the active supervision bill. This new law also statutorily requires EAIC to monitor active supervision recommendations. 	
Monitor board solvency and changes allowed in boxing program	<ul style="list-style-type: none"> Determine which boards need additional oversight or monitoring based on budget, numbers of complaints, other? Is the boxing program more solvent than in the past? 	
Streamline or decrease regulation of boards	<ul style="list-style-type: none"> Solicit recommendations from licensees (or board members) as to ways to decrease state involvement with licensing boards. 	
Other?		
Workers' Compensation (in addition to SJR 27 study or as part of the study)		
Examine presumptive illness for firefighters	<ul style="list-style-type: none"> SB 72 did not survive the House based on a variety of concerns about presumptive illness. The Committee might want to further examine this issue. 	
Drug Formulary Development	<ul style="list-style-type: none"> SB 312 allowed creation of a prescription drug formulary for workers' compensation. Monitor implementation. 	
Workplace safety	<ul style="list-style-type: none"> Follow up on the work of WorkSafeMT and reports from OSHA regarding private-sector contacts, whether for citations or recommended changes. 	
Impact of claim closure from HB 334 in 2011 session	<ul style="list-style-type: none"> HB 334 enacted by the 2011 Legislature provided that workers' compensation claims would end after 5 years unless special circumstances apply. The 5-year period for the first batch of claim closures on injuries that occurred on or after July 1, 2011, closes as of July 1, 2016. What has been the impact? 	
Followup on HB 358 regarding authorization to share medical information	<ul style="list-style-type: none"> HB 358 allowed denial of benefits if an injured worker did not allow sharing of medical information with insurers regardless of whether the injured worker was aware of the sharing (ex parte communication). The governor's veto said there were concerns about privacy except for sharing of administrative information. Is there an approach that satisfies both the concerns of the insurers and concerns about private medical information? What do other states allow? 	

Treating physician concerns	<ul style="list-style-type: none"> ▶ HB 229 would have returned to previous law to allow the injured worker to decide on the treating physician. If the issue of treating physicians is problematic, what options might give both insurers and injured workers some assurance that appropriate steps are being taken? 	
Other?		

Appendix B

Study Plan for SJR 20 - A study of factors affecting unemployment in high-poverty areas and potential solutions

Issue(s) as listed in legislation:

- Certain measurements of unemployment rates may make application for grants to address unemployment more difficult in a large, diverse state like Montana where overall unemployment rates are low but are higher in high-poverty counties, including Indian reservations.
- The variation in statewide unemployment may have diverse reasons as to why those currently not working have not entered the workforce. These include a scarcity of jobs in some areas and high-poverty rates, as well as a dearth of childcare, accommodations for disabilities, or transportation options.

Preliminary study approach:

The study proposes to look at:

- job availability throughout the high-poverty areas;
- the match of job availability to skills needed for the jobs;
- wages paid for jobs in high-poverty areas and whether fringe benefits are attached;
- transportation availability to get to jobs and the costs for transportation either to an employer providing transportation or to the employee. Specific attention would be paid to those employers who have provided transportation.
- availability of accommodations for disabilities and types of disabilities in various regions and analysis of whether the lack of accommodations is a reason for people not working;
- availability of child care or elder care, either through an employer or through private-sector or public options;
- access to Job Service Offices or third-party equivalents and availability of services and programs related to employer and employee training opportunities; and
- availability of internet and broadband or other services that enable workers to work from home or provide technological infrastructure to encourage businesses to locate in high-poverty areas.

The study also proposes to hear from:

- the Montana Career Information System regarding course offerings at tribal, community, and Montana University System colleges as well as the Job Service Offices to get a better understanding of the job services and training available in high-poverty areas; and
- experts on unemployment to expand understanding of the various measurements of unemployment and to determine what measurement is most likely to target intractable unemployment and be beneficial for job-related grants or other applications for job-related resources.

Deliverables; end products:

- Possible legislation
- Panel presentations
- Possible final report

Appendix C

Study Plan for SJR 27 - A study of Montana State Fund and options for providing workers' compensation insurance in Montana

This study is the latest of many on workers' compensation. The intent was to look at Montana State Fund in light of two bills introduced in the 2017 Legislature, one of which proposed to dissolve Montana State Fund and one that proposed revising how Montana State Fund operates. The SJR 27 sponsor suggested the study be as broad as possible in an effort to address the many aspects that contribute to Montana's higher-than-national-average work comp premiums.

Issue(s) as listed in legislation:

- Montana State Fund serves as a guaranteed market for workers' compensation insurance in Montana and, in part because of that, does not pay premium insurance taxes.
- Changes to Montana State Fund's operating structure, whether dissolution as proposed in one bill in the 2017 session or a switch to a domestic mutual insurer as proposed by another bill, might impact small businesses and agricultural interests in ways that have not yet been studied.
- Montana's workers' compensation premiums remain 11th highest in the nation as measured by an Oregon state poll, conducted biennially.

Preliminary study approach:

- Examine the role and costs of Montana State Fund in providing the guaranteed market to determine if not paying premium insurance taxes puts Montana State Fund at a competitive advantage over other workers' compensation insurers or if having to provide insurance to all comers, regardless of risk, is a competitive disadvantage.
- Examine changes in premium rates for all classes of industry in states that have removed use of a state fund as a guaranteed market.
- Request Montana State Fund or the State Auditor's Office to conduct an informal actuarial study to determine if loss of the state employee portfolio would be a benefit or a detriment to the state.
- Examine the costs and premiums paid by small businesses without experience rating and agricultural businesses. Seek out examples from Montana State Fund and other insurers for these two users of a guaranteed market.
- Review requirements and experiences in other states that use alternatives to a guaranteed market for covering businesses that have no experience rating, are small, or have high risk.
- Review identified cost drivers, including Montana's high injury rate and the number of people who remain on workers' compensation for more than 5 years. If the committee wants to look at the impact of benefits on costs, the recommendation is to look at comparable states' safety nets to determine if cost-shifting occurs between workers' compensation and other types of insurance, including unemployment and health insurance as well as social security disability insurance.

Deliverables; end products:

- Possible legislation
- Report on Montana State Fund's advantages or disadvantages in providing a guaranteed market
- Report on alternative options and projected financial impacts for providing coverage to customers who currently rely on a guaranteed market
- Panel presentations
- Possible final report

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